

From: Stuart Millner </O=FIRST ORGANIZATION/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=STUART>
Sent: Saturday, October 23, 2010 5:32 PM
To: [REDACTED]
Cc: Stuart Millner <smillner@sbmac.com>
Subject: PL est SBMA 2010.xlsx
Attach: PL est SBMA 2010.xlsx

When you get this, please call to discuss. It is Saturday around 5 my time. I will be home all night. I think you have mixed apples and oranges:

1. The fixed overhead of the company is not \$250,000 a month. That number does contain the payouts for payables that are old. But, for the sake of this discussion lets leave it that way. Total of \$750,000.
2. The total payout of everything, (old payables etc is \$1, 400,000.
3. The Net profit after you deduct the \$750,000 from the \$2,100,000 in Gross Profit is about \$1,400,000 as well.
4. So cash will be close to "0" without taking into consideration of what we have in cash now.
5. Next please show me the Riverbank Owing. The best that I knew was \$320,00 (Maybe). The deposit that we took on the press sale will never be returned. Show me how we got to \$390,000.
6. Cooper I am gong to work on reducing to \$100,000, maybe \$125,000.
7. If we really can earn the GP for Oct, Nov and Dec we will generate \$2,100,000 in GP and cash without touching any proceeds that generated the GP. As I said if you deduct the \$750,000 which contains bank payments of \$30,000,then you should not deduct the bank payments again in Nov and Dec.
8. Profit for Oct, Nov an Dec will wipe out the loss for the year and generate a book profit of over \$600,000, as you indicated.

Lets discuss where I am wrong.

Stuart